

Calgary



Corporate Land Strategy Guiding Document



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1.0 EXECUTIVE SUMMARY

The City of Calgary (The City) is the owner of over 8300 parcels of titled land. These parcels support the delivery of City services to business and citizens in the form of over 34,000 acres of parks and natural spaces, community-focused services, affordable housing, administration buildings, public works and utility infrastructure. These lands are also an asset for The City, to be managed well in fulfilling its operational needs and leveraged to the benefit of all Calgarians.

The Corporate Land Strategy, is about unlocking the Triple Bottom Line value of land. It will encapsulate all existing land management artifacts (frameworks, policies, strategies, bylaws), identify and fill gaps, and ultimately enable connection points between the various land initiatives across the corporation to capitalize on cross business unit and department opportunities.

This report provides information about work being led by Administration to define a strategic, portfolio-based approach to managing The City's land assets. A successfully executed Corporate Land Strategy will benefit the corporation by establishing more sustainable business operations and decision making processes that maximize the overarching and long-term value of municipal lands.

The Corporate Land Strategy is about unlocking the triple bottom line value of land.

This Guiding Document will provide overall direction on the project's approach to:

1. Expectations: Council, citizen and customer service level expectations are addressed

2. Governance: Land management decisions are governed through a collaborative, integrated and transparent approach

3. Triple Bottom Line: Consideration of The City's economic, environmental and social objectives and benefits in land management decisions

4. Financial sustainability: City-owned lands and real estate expertise are positioned to increase the tax base and generate revenue

5. Decision-making: Criteria and processes are clearly defined, fair, equitable and timely

2.0 BACKGROUND

2.1 Why The City of Calgary holds land

As a municipality in the Province of Alberta, The City of Calgary (The City) is granted powers by the Province through the Municipal Government Act (MGA Part 1,3) to carry out “municipal purposes,” including:

- Providing good government
- Fostering well-being of the environment
- Providing services, facilities and other things that, in the opinion of Council, are necessary or desirable for all or part of a municipality
- Develop and maintain safe and viable communities

Land is essential for The City to provide city-wide and citizen-focused services. These include protection of the environment, providing and operating public infrastructure, emergency protection, public open spaces, recreation facilities, community-based services, affordable housing and public facilities.

At the direction of Calgary City Council, The City also delivers land development services that include acquisition, management, planning and approvals, investment in infrastructure and the sale of parcels for the following benefits:

- Providing serviced industrial land to businesses that support Calgary’s economic diversification, create jobs and increase the non-residential tax base.
- Leveraging strategic land holdings for non-market housing units, other social benefits and to deliver public planning policy objectives, including community redevelopment and transit-oriented development (TOD).
- In general, maximizing the overall value of City-owned land.



2.2 City of Calgary Land Inventory Overview

To deliver its services, The City holds title to over 8,300 parcels of land (13,939 hectares/34,442 acres). This land has been acquired through the history of Calgary to support its growth. This large portfolio of land, representing numerous asset-classes, is managed through a number of Administration programs.

A majority of this land (12,525 hectares/30,950 acres) is located across the city and directly supports The City's operations and delivery

of its municipal services to communities and citizens (Figures 1 and 2). Approximately half the area of City-owned land comprises Calgary's extensive park, river valley and open space system. Of that area, 43% was acquired through municipal and environmental reserve dedication as subdivisions in new neighborhoods were registered. Other large land positions are required for large regional infrastructure facilities, Operations Work Centres, and land held for future services, as described in Table 1.

Figure 1 Land Inventory Status

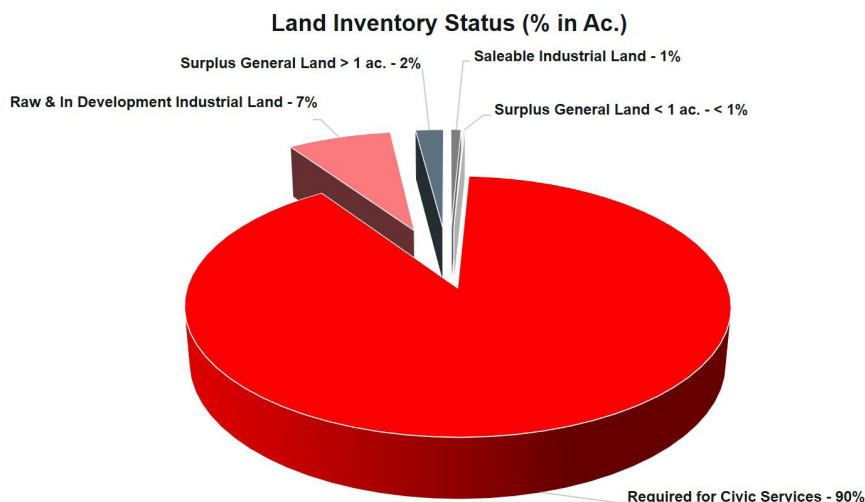
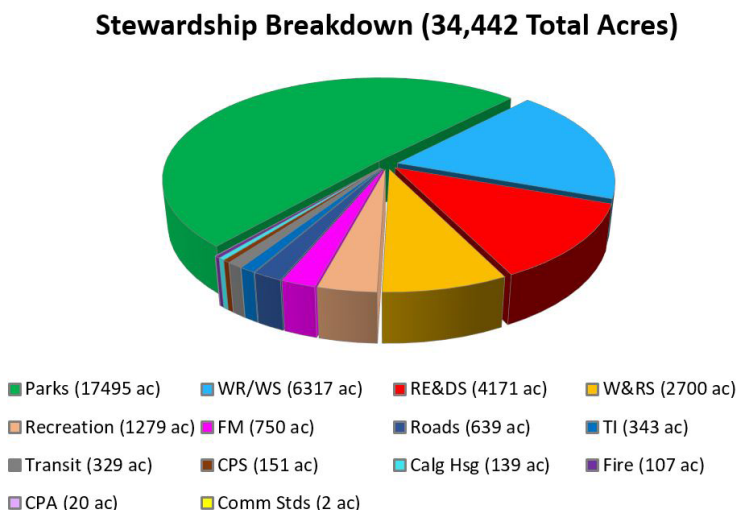


Figure 2 Stewardship Breakdown by Business Unit



City of Calgary - Land Steward Inventory Area, by Business Unit - Updated 2019 August

Table 1 Land Inventory Area, by Business Unit

| | Acres | Hectares |
|---|--------|----------|
| Parks – local, community and regional parks, community association sites, river valley lands and escarpments, wetlands and maintenance facilities. | 17,495 | 7,080 |
| Water Resources/Water Services (WR/WS) – water treatment plants, water reservoirs, wastewater/sewage treatment plants (e.g. Bonnybrook, Pine Creek), community storm ponds and regional stormwater management facilities (e.g. Ralph Klein Park). | 6,317 | 2,557 |
| Real Estate & Development Services Land Holdings (RE&DS): <ul style="list-style-type: none"> • Industrial Land Program – raw land being managed for future industrial parks, active development projects, and serviced lots being marketed for sale • Strategic Redevelopment Program – smaller parcels no longer required for service delivery, in strategic locations that support comprehensive planning, development and sale • Surplus Lands Program – surplus parcels identified for disposition • Corporate Land Inventory (CLA) lands acquired for future City service needs and leased until required, or leased to City-partners and third-party organizations on a long-term basis (e.g. West Village, Blackfoot Motorcycle Park) | 4,171 | 1,688 |
| Waste and Recycling Services (W&RS) – regional landfill, recycling and composting facilities, historic landfill sites in Calgary. | 2,700 | 1,093 |
| Recreation – includes community and district recreation centers, regional recreation facilities, golf courses, etc. | 1,279 | 518 |
| Facilities Management (FM) – City portfolio of workspaces and civic spaces, Operations Work Centres (OWC) and fleet and maintenance facilities required to provide efficient City services throughout Calgary. | 750 | 304 |
| Calgary Roads – non-right-of-way land acquired for future transportation infrastructure, and remnant roadway parcels. | 639 | 259 |
| Transportation Infrastructure (TI) – land acquired to deliver major transportation infrastructure, interim lease parcels. | 343 | 139 |
| Calgary Transit – fleet maintenance and garages (Bus and LRT vehicles), transit stations and park & ride lots. | 329 | 133 |
| Calgary Police Service (Police) – includes headquarters, district stations and training facilities. | 151 | 61 |
| Calgary Housing – City-owned or leased affordable housing. | 139 | 56 |
| Calgary Fire Department (Fire) – includes headquarters, training, district stations. | 107 | 43 |
| Calgary Parking Authority (CPA) – land for CPA-run parking facilities. | 20 | 8 |
| Community Standards – Ramsay Animal Services Centre. | 2 | 1 |
| Total | 34,442 | 13,939 |

2.3 Current Land Management and Real Estate Practices

“Real estate” is typically defined as real property consisting of land and improvements, including buildings, fixtures, roads, structures and utility systems.

The Real Estate & Development Services (RE&DS) business unit delivers two lines of service on behalf of The Corporation and for internal business unit (BU) land-steward clients. These services include:



Other City BUs also perform specific land development functions that support day-to-day operations and program delivery. These functions can include site planning, preparation, construction of buildings and facilities, utility installations, site remediation, etc. and are not within the scope of this project. The broader land management and operational functions are currently guided by various levels of direction, specific to the service needs. There is no overarching or comprehensive guidance to align the programs to higher goals for City-owned land and ensure consistency in day to day decision-making.



3.0 INFORMING STRATEGIC DIRECTION

3.1 Corporate Alignment

Development of the Corporate Land Strategy will support and align with current directions and initiatives of The City defined through a series of Council-approved strategic plans and policies, including:

- Citizen Priorities and Council Directives 2019-2022
- One Calgary Services Plans and Budget Process
- Corporate Asset Management Program
- Maximize Asset Value Review
- Municipal Development Plan
- Triple Bottom Line Policy
- Long Range Financial Plan

3.2 Public Land Management Best Practices

Municipalities and public agencies hold and steward land for a variety of purposes. They manage their land inventories through a variety of means to support delivery of their services to the public. This section provides an overview of how land is managed in other public organizations with a focus on Canadian cities' practices. Administration also reviewed other public organizations that hold land and best practices research in municipal land management (consulting studies, and National Executive Forum on Public Property (NEFPP) library). Calgary's current procedures and operations were assessed to identify where Calgary stands in relation to national peers and to identify opportunities for the Corporate Land Strategy approach.

The best practices review provided evidence of how other organizations manage an entire public land portfolio in a comprehensive and strategic manner. The focus was to understand overarching value statements, guiding principles and strategic policies that direct strategic land management decisions for the respective organization. Learnings from the research are summarized in this section. A more detailed table of land management practices across various municipalities and public organizations is also included in Attachment 4.





3.2.1 Roles common to public land organizations

Municipal organizations manage land to fulfill mandates and fund the delivery of services to the public and customers. For the most part, they undertake land management and real estate transactional services.

3.2.2 Roles unique to specific public land organizations

Some cities intentionally develop and service land to achieve other benefits to the community.

3.2.3 Common challenges for public land organizations

Public organizations are challenged by many of the same issues that make managing land more difficult, less efficient and does not optimize the value of their land assets. Usually this has resulted from lack of a comprehensive strategy or direction.

3.2.4 Leading public land management practices

Mature land management practices tend to have policies and directions in place to guide strategic decision-making and align operations to deliver that direction.

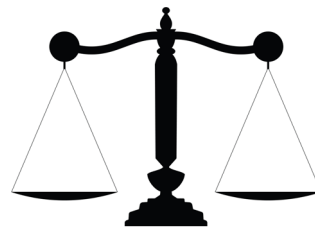
3.3 Informing Direction of the Corporate Land Strategy

Learnings from the best practices research and stakeholder engagement indicate there are practice areas where The City is already well positioned and can continue to improve. There are also some opportunities and new practice areas for The City to consider through the development of the Corporate Land Strategy, as outlined below.

There are four areas in which **The City is leading the way in quality land management practices.**



Land Inventory



Dedicated Funding Reserves



In-House Professional Services



Land Frameworks



Land Inventory Management – Land Inventory Data Application (LInDA) and the planned integration with other real estate information systems is well advanced for municipalities.



Dedicated and Sustainable Funding Reserves – Two reserves are in place for the management of City land (Revolving Fund) and the Land Development program (Real Estate Reserve).



In-House Professional Services – The City of Calgary has professional real estate and legal services on staff to manage all needs.



Land Frameworks – The City has put extensive effort into building solid frameworks, processes and collaborative governance for some of its land programs (e.g. Corporate Land Management Framework, Industrial Land Strategy, and Real Property Bylaw) to set the foundation and vision for quality land management.

There are four areas of improvement where the Corporate Land Strategy will place focused attention to better serve the management of land by The City:

1. Define a corporate approach to making strategic land decisions.
2. Define a portfolio-management approach for City land and programs.
3. Define new opportunities to optimize the value of land.
4. Simplify processes and clarify roles and responsibilities.

4.0 Corporate Land Strategy Project Scope

City Council recognizes land as a public asset that should be managed in a manner that maximizes community use and benefits of the land, and supports the financial sustainability of the real estate and land development programs. An overarching strategy will clarify these expectations. It will also provide Administration with clear direction to tie the various administrative and procedural tools together, thus enabling The City's land services and programs to be delivered in a corporate-focused and results-based manner. A Corporate Land Strategy will support these needs by providing an overarching, comprehensive approach to managing City lands.

Figure 4 Corporate Land Strategy



To ensure this project addresses the four areas of improvement identified, Administration will be taking a phased approach.

Phase One was to produce the Guiding Document to establish the scope and direction for the project.

Phase Two will be focused on making sure The City has a solid foundation through the creation of a Corporate Land Strategy. This strategy will include:

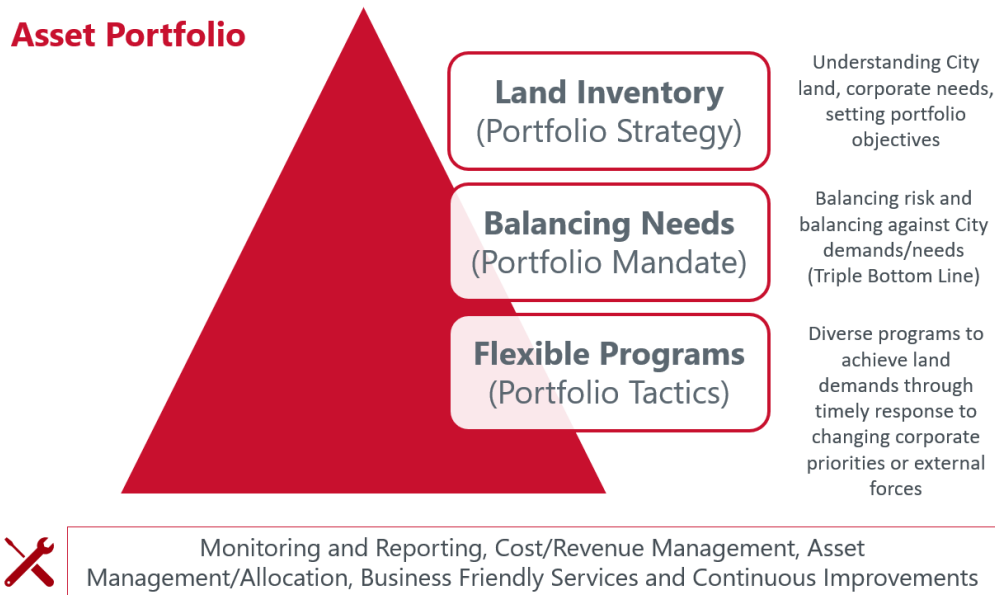
- **Governance** – Who will be involved in the decision making for City land demands. Administration will reflect on existing governances that are working effectively at The City (e.g. Integrated Civic Facility Planning or Infrastructure Calgary).
- **Standards** – How the decisions will be made, making sure all required demands are adhered to including updating and further developing as required.
- **Roles and Responsibilities** – How The Corporation will be organized and accountable for delivering City land management. Administration will reflect on existing efforts that are working effectively at The City (e.g. Corporate Project Management Framework or Infrastructure Calgary) to deliver this direction.
- **Decision methodology** – What data and information will be used for City land decisions. Administration will incorporate the decision criteria with existing Council directions, professional real estate and market analysis, best practice, land inventory data, technical feasibility and financial sustainability of programs. This will deliver clear and consistent land decision-making processes with adaptability to respond to technological, customer, market, societal and organizational changes.

City Council recognizes land as a public asset that should be managed in a manner that maximizes community benefit, including financial return



Phase Three will provide the vehicle for how the strategy will be administered. Administration will take a portfolio management approach to incorporate the strategy. The defined portfolio approach is shown in Figure 5.

Figure 5 Portfolio Management Approach



Land Inventory (Portfolio Strategy)

- Management and tracking of the land inventory
- Understanding City land, corporate needs
- Setting portfolio objectives

Balancing Needs (Portfolio Mandate)

- Understanding corporate objectives
- Assessing land potential to deliver objectives
- Managing risks and balancing competing needs
- Making timely and transparent decisions

Flexible Programs (Portfolio Tactics)

- Define portfolio approach and tactics applicable to all land programs (e.g. surplus lands, industrial land development, strategic redevelopment)
- Scalable to the specific demands and challenges of each program and asset type
- Identify short-term priorities and specific actions (now to four years) that align with projects and budgets
- Set portfolio plans for medium and long-term horizons (5, 10, 20 and 30 years) to address strategic opportunities, and prioritize projects and investment

- Responsive to changing corporate priorities, external market forces (market, customer demands, trigger events)

Tools (Implementation)

To effectively deliver this work, Administration must have tools to support its operations and will be mindful of the following in developing the portfolio approach:

- Monitoring and reporting – effective reporting tools for transparent decision making
- Cost and revenue management – reduce operating costs, find land efficiencies, lease long-term land, sell surplus land, capture market value
- Land asset management/allocation (purpose for each parcel) – land inventory, data and process management, rationalize holdings
- Business friendly services – support market cycles, understand customer needs, build trust with clients and partners, implement transparent procedures, reduce time to market
- Continually improve – find greater efficiencies and effectiveness in service delivery and project outcomes

5.0 GUIDING PRINCIPLES

Guiding principles represent the general aspiration and values that will guide the Corporate Land Strategy project and support decision-making throughout the planning, development, delivery and transition to operations.

City-owned lands are valuable assets that provide long-term and strategic benefits to current and future generations.

| | |
|--------------------------------------|---|
| Citizen Value | <ul style="list-style-type: none">• Land management decisions consider economic, environmental, social and cultural values to ensure balanced benefits to citizens. |
| Transparent and Accountable | <ul style="list-style-type: none">• Land management decision-making processes are clear, consistent and communicated. |
| Coordinated and Collaborative | <ul style="list-style-type: none">• Land decisions are made collectively to reflect our One City, One Voice culture, and are managed internally and externally to capitalize on our broad range of expertise. |
| Evidence-Based and Timely | <ul style="list-style-type: none">• Appropriate decisions are made in consideration of Council directions, professional real estate and market analysis, best practices, land inventory data, technical feasibility and the financial sustainability of programs. |
| Reliable and Flexible | <ul style="list-style-type: none">• Decisions will use consistent and repeatable processes with the flexibility to respond to rapid technological, customer, societal and organizational changes. |



5.1 Communicate and Educate

Communication and education about the Corporate Land Strategy project, why it's required, its benefits and desired outcomes, including implementation will be promoted throughout the project. Informing decision-makers, corporate partners and customers about land management will achieve corporate understanding and buy-in and support collective and transparent decision making on land to achieve the best results for The City and citizens.

Target audiences

- City Council
- Administration Leadership Team
- Internal customers and staff
- Corporate partners in land stewardship and asset management
- Corporate policy groups
- Implementers of land and real estate programs
- External customers of land, partners in land development, market experts

Key messages

- City land is a valuable public asset, and Administration is committed to managing it well.
- This is a 'One City' approach to managing City land; it's well thought out, comprehensive and unified.
- Our goal is to maximize the benefits and unlock the triple bottom line value of City land for current and future generations.
- Ultimately, this is about making the most of City-owned lands.

Tools

- Stakeholder engagement
- Information sessions
- On-line depository for land strategy, policies, frameworks, and procedures, and links to related corporate land projects
- Key indicators and measures
- Reporting templates that clearly align decisions to the Strategy, weigh alternatives and explain the rationale for decisions that are made

